



# PREPROPOSAL STATEMENT OF INQUIRY

**CR-101 (June 2004)**

(Implements RCW 34.05.310)

Do NOT use for expedited rule making

**Agency:** Department of Social and Health Services, Aging and Disability Services Administration

**Subject of possible rule making:**

The possible rule would define what is meant by the "home office" of a nursing facility. This term is a key element in determining whether a nursing facility is a "vital local provider" under RCW 74.46.020 (61).

**Statutes authorizing the agency to adopt rules on this subject:**

RCW 74.46.800, to implement RCW 74.46.020 (61), RCW 74.46.506 (5)(i)(v), and RCW 74.46.521 (4).

**Reasons why rules on this subject may be needed and what they might accomplish:**

In its last session, the Legislature adopted Ch. 258, Laws of 2006. Section 1 of that statute amended RCW 74.46.020 by adding the new designation of "vital local provider," or VLP, as subsection (61). In the calculation of its Medicaid per patient day rate for long term care, a VLP is entitled to a potentially advantageous "hold harmless" provision in the determination of its Direct Care and Operations component rates. Part of the test for qualifying as a VLP is to have a "home office" with an address in Washington State. However, there is no definition of "home office" in Chapter 258, Laws of 2006 or elsewhere in Ch. 74.46 RCW. The possible rule would define the term "home office."

**Identify other federal and state agencies that regulate this subject and the process coordinating the rule with these agencies:**

No other agencies regulate this same subject.

**Process for developing new rule (check all that apply):**

- ☐ Negotiated rule making
- ☐ Pilot rule making
- ☐ Agency study
- ☒ Other (describe)

DSHS welcomes the public to take part in developing the rules. Anyone interested should contact the staff person identified below. At a later date, DSHS will file a proposal with the Office of the Code Reviser with a notice of proposed rule making. A copy of the proposal will be sent to everyone on the mailing list and to anyone who requests a copy.

**How interested parties can participate in the decision to adopt the new rule and formulation of the proposed rule before publication:**

(List names, addresses, telephone, fax numbers, and e-mail of persons to contact; describe meetings, other exchanges of information, etc.) Contact:

Ed Southon, Staff Counsel, Nursing Home Rates Section

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DATE

7/25/06

NAME (TYPE OR PRINT)

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SIGNATURE

TITLE

Manager, Rules and Policies Assistance Unit

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